NEWS ITEMS ON CAG/ AUDIT REPORTS (17.02.2023)

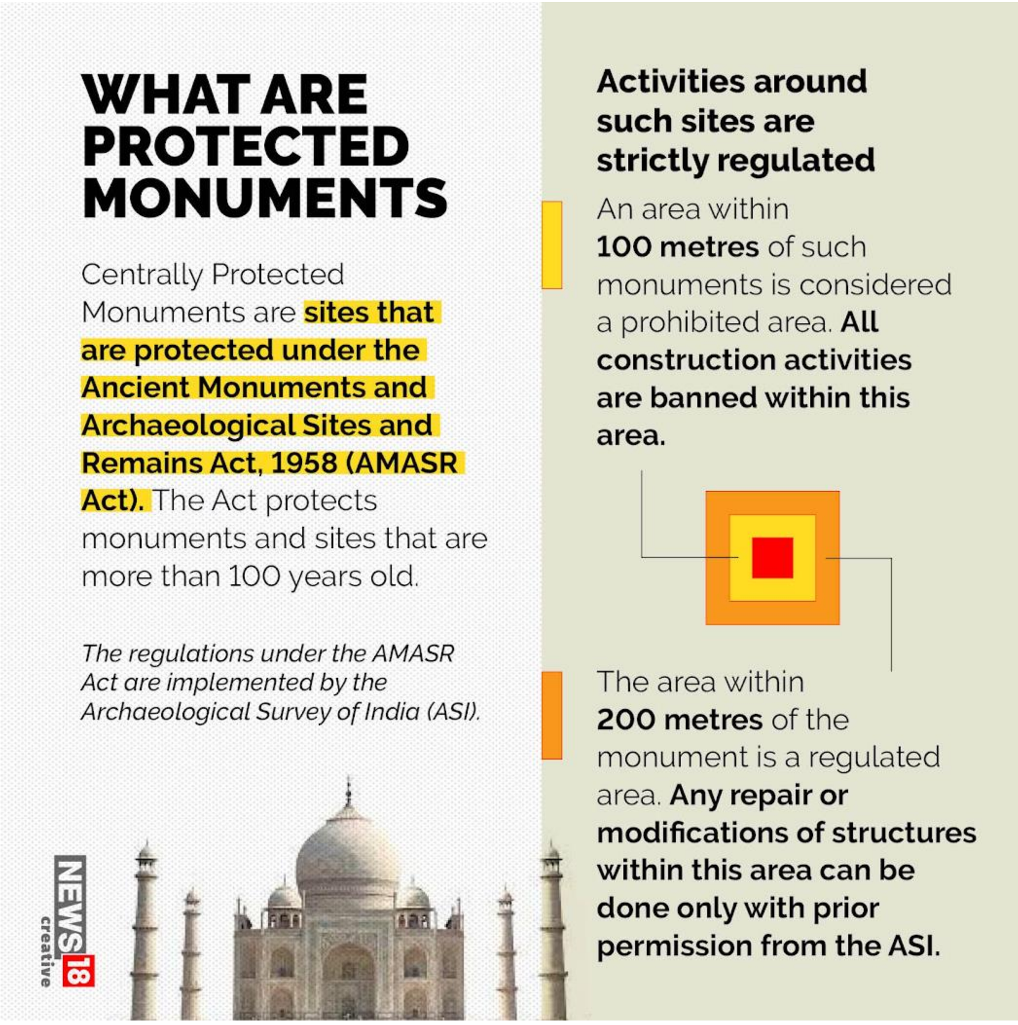
1. India's heritage in peril: 24 centrally protected monuments missing *(cnbctv18.com)* Feb 16, 2023

At least 24 centrally protected monuments in India are missing, with concerns rising over their preservation and whereabouts, according to recent reports. To address the issue, the ASI has decided to form a special committee of internal experts to trace and certify the 24 missing monuments.

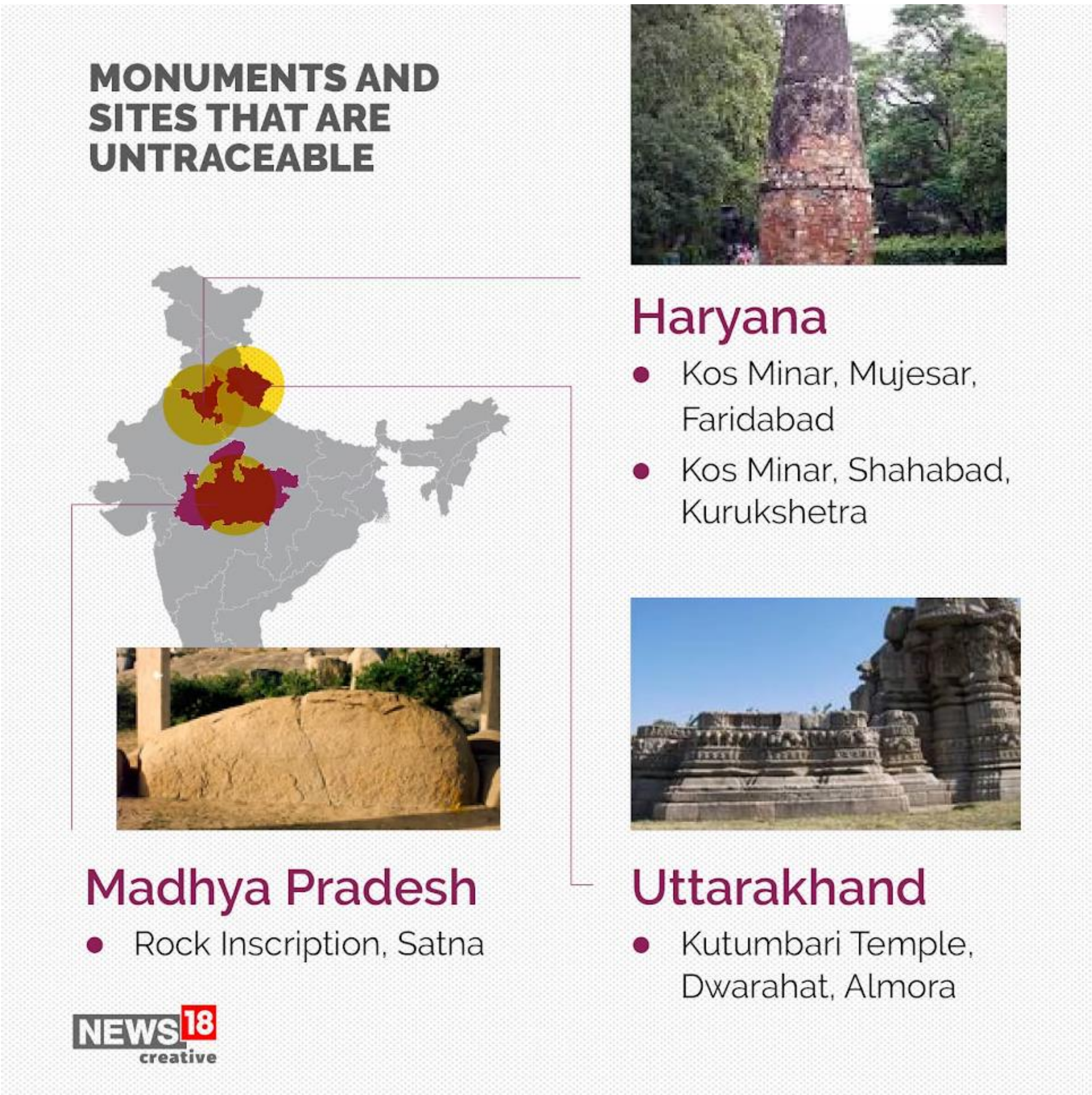
India, a country with a rich cultural heritage, is home to numerous historically significant sites and monuments that have been protected under the Ancient Monuments and Archaeological Sites and Remains Act, of 1958 (AMASR Act).

However, it has recently come to light that at least 24 of these centrally protected monuments are missing, raising concerns over their whereabouts and preservation.

The Archaeological Survey of India (ASI), which is responsible for the protection and preservation of such monuments, has traced out 68 monuments out of the 92 that were reported missing in a CAG report in 2013. However, the fate of the remaining 24 monuments is still unknown.

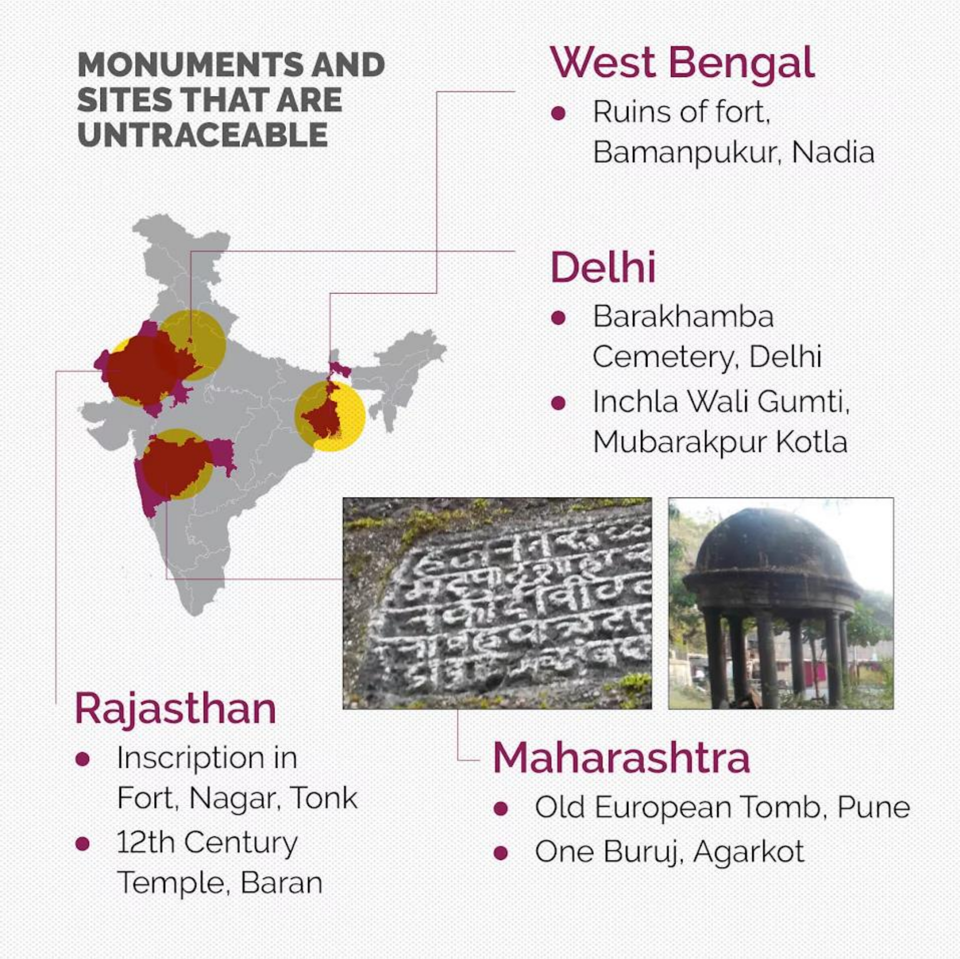


These 24 monuments include the Guns of Emperor Sher Shah in Assam, the ruins of the Copper Temple in Arunachal Pradesh, Kos Minar in Haryana, Rock Inscription in Satna, and the Kutumbari Temple in Uttarakhand. They are spread across several states including Uttar Pradesh, Madhya Pradesh, Rajasthan, Maharashtra, West Bengal, and Delhi.



The reasons for the disappearance of these monuments are varied. Some have been submerged by dams or reservoirs, while others have been lost to rapid urbanisation and encroachment. In some cases, monuments have not been traced due to their remote locations.

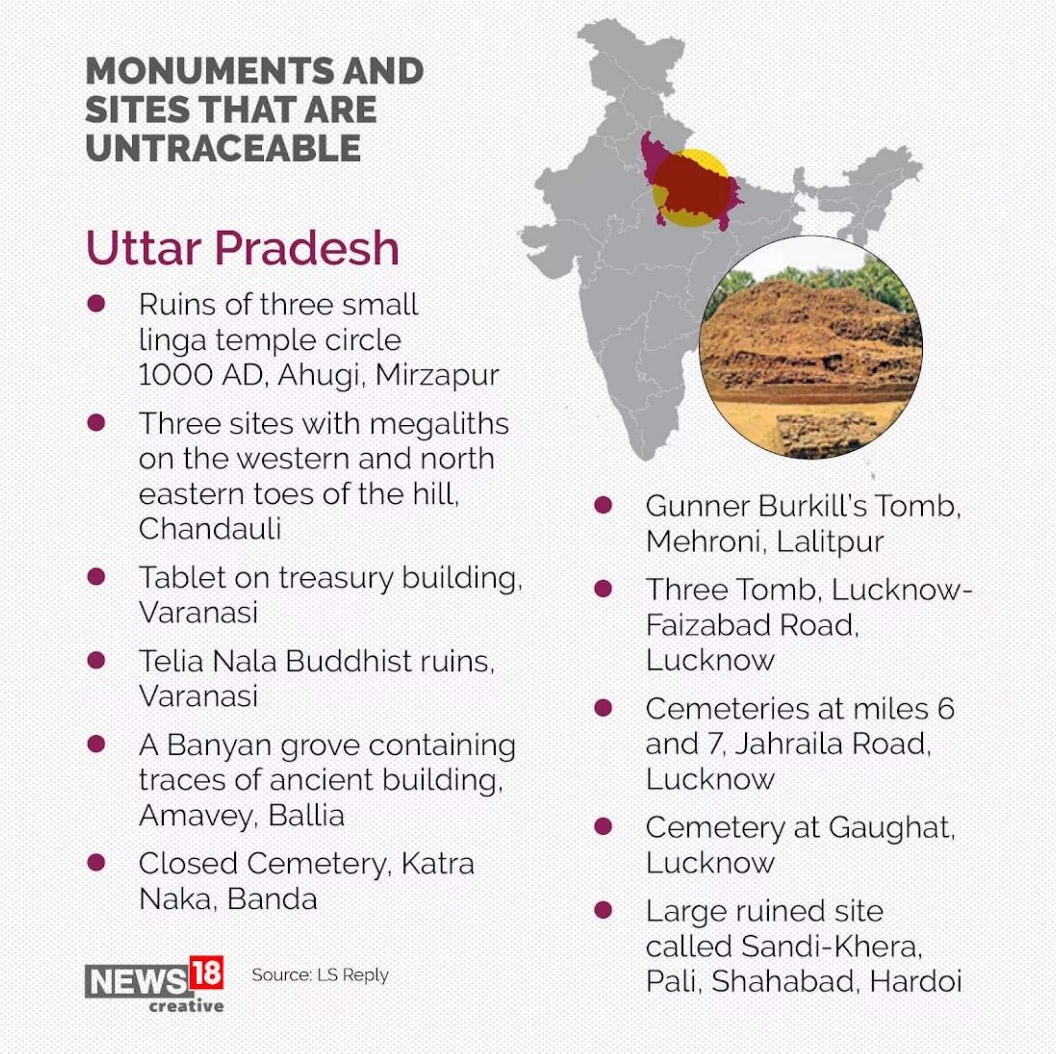
To address the issue, the ASI has decided to form a special committee of internal experts to trace and certify the 24 missing monuments. The committee will conduct a survey of the missing sites and certify them as either 'found' or 'not found'. If a monument is deemed 'not found', its name may be removed from the protected monuments list. However, experts caution against denotifying lost monuments, as it could lead to a lack of urgency in finding them and potentially losing them forever.



The protection of these monuments is crucial, as they serve as a testament to India's rich history and cultural diversity. The AMASR Act was established to preserve these monuments and ensure that they are protected for future generations to learn from and appreciate.

The Act strictly regulates activities around these sites, including banning construction within 100 meters of the monument and requiring prior permission for any repairs or modifications within 200 meters.

The disappearance of these monuments highlights the need for greater attention to their preservation and protection. The ASI must take measures to ensure that the remaining 24 missing monuments are located and safeguarded. It is also important to increase public awareness about the significance of these monuments and the need for their protection.



The Indian government must recognise the importance of preserving the country's cultural heritage and provide adequate resources for the protection and maintenance of these sites.

It is essential to prioritise the protection of these monuments to ensure that they continue to serve as a source of inspiration for future generations.

The missing monuments serve as a reminder of the urgent need for greater attention and resources to be dedicated to the preservation and protection of India's rich cultural heritage.

The ASI's decision to form a special committee is a positive step towards locating and safeguarding the missing monuments, but much more needs to be done to ensure that these sites are protected for future generations. https://www.cnbctv18.com/india/india-24-asi-protected-monuments-missing-archaeological-survey-indian-heritage-15958851.htm

2. Raj guv seeks clarification from CM Gehlot over reported plan to bring in new pay, account system *(theprint.in)* 16 February, 2023

Rajasthan Governor Kalraj Mishra sought a clarification from the Gehlot government on its reported plan to replace the existing treasury system with a pay and account office system, and also expressed displeasure over formation of commissions and corporations "without following" prescribed rules. The governor wrote two separate letters to the chief minister flagging these issues. He also attached a copy of the letter received from the Deputy Comptroller and Auditor General's office on the issue of pay and account office system.

The governor's missives come in the backdrop of Rajasthan contemplating to do away with the existing treasury system of accounting. The Comptroller and Auditor General (CAG) has warned the state that creation of a new mechanism would disrupt compilation, preparation and reporting of government accounts in the near term. In a strongly-worded letter to the Rajasthan government last week, Deputy CAG K R Sriram said, "Any change in the existing scheme as per the Constitution and the Parliamentary enactment in this regard will require prior approval of the President and consultation with the C&AG of India." A release from the Raj Bhawan said on Thursday, "The Governor has sent a copy of the letter dated February 9, 2023, received from the Deputy Comptroller and Auditor General regarding implementation of Pay and Account Office System in place of the treasury system currently implemented." Instructions have also been given to inform the intention of the state government after conducting a detailed examination of Article 150 of the Constitution and Section 10 of the DPC of Act 1971, it said.

Article 150 of the Constitution says that the accounts of the Union and of the states shall be kept in such form as the President may, on the advice of the Comptroller and Auditor General of India, prescribe.

The letter written by the CAG office said that it is "highly desirable" for the state government to re-evaluate the change in the treasury system and hold it till further consultation with the central government".

"Any creation of PAO (Pay and Accounts Office) by one State will derail the time tested treasury system where huge human and digital resources have evolved along with corresponding treasury rules and with its inherent system of checks and balances and the linkage of entire IT infrastructure…," said the CAG letter, addressed to the Rajasthan chief secretary.

It quoted Constitutional provisions which mandate that the CAG will be responsible for compiling the accounts of each state from the initial and subsidiary accounts rendered to audit and account offices.

In the second letter, also sent to the chief minister on Tuesday, the Rajasthan governor expressed his displeasure with the state government for not following the prescribed rules for the formation of various commissions, corporations, boards and appointment of office bearers in these institutions. The governor also expressed displeasure over the appointment orders issued recently without obtaining approval of the Raj Bhawan.

"In a letter written to Chief Minister Ashok Gehlot, Governor Mishra has given instructions to take it seriously and clarify the situation in the matter," another release from the Raj Bhawan said.

In 2020, as the Gehlot government faced a crisis due to the rebellion by his then deputy Sachin Pilot, there was a deadlock between the Raj Bhawan and the state government over calling the assembly session.

The state government wanted to convene the session on a short notice but the governor turned down the cabinet proposal thrice saying a 21-day notice is required for calling the session.

The fourth proposal was accepted by the governor to call the session from August 14, 2020. The revised proposal fulfilled the condition of 21-day notice. https://theprint.in/india/raj-guv-seeks-clarification-from-cm-gehlot-over-reported-plan-to-bring-in-new-pay-account-system-2/1377251/

3. Over Plans to Change Treasury System, Rajasthan Governor Seeks Explanation *(ndtv.com)* 16 February, 2023

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4. Rajasthan guv seeks clarification from CM Gehlot over reported plan to bring in new pay, account system *(indiatoday.in)* 16 February, 2023

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STATES NEWS ITEMS

5. No CAG audit of major schemes in W.B. since 2011 says RTI activist *(thehindu.com)* 17 February, 2023

W.B. government stonewalled several attempts of audit by CAG over the past few years

On February 8, the Ministry of Education asked the Comptroller and Auditor General (CAG) to conduct a special audit on the alleged misuse of funds from the PM Poshan Scheme in West Bengal over the past three years. Only a few weeks ago, the Calcutta High Court gave directions to add CAG as a party to public interest litigation of the State finances.

Over the past few years, allegations of corruption in central and state social welfare schemes have come to the fore. In at least two major schemes like the MGNREGA and PM Awas Yojana the Union Government has sent several central schemes to look into the allegations of corruption and misuse of public funds.

Biswanath Goswami, a socio-legal researcher, and RTI activist who has been keenly following audits conducted by CAG in West Bengal said that not a single major social security scheme and project funded by the State government or Centre has been audited by CAG in the State since 2011.

Mr. Goswami cited several instances where the West Bengal government had stonewalled attempts by the CAG to audit key schemes. For instance, in the year 2017, the CAG had written to the Women and Child Development Department for an audit of ‘Kanyashree Prakalpa’. In a letter dated 13.02. 2017 the State Government expressed its inability to furnish relevant records of Kanyashree Prakalpa due to “privacy and security”. In the same case, CAG sought data and relevant records from State’s Chief Secretary on 30.03. 2017 and later observed that nothing has been received from the department.

Kanyashree Prakalpa, a cash incentive scheme for school girls was started by West Bengal in 2013 and the beneficiaries of the scheme are about ₹81 lakh. Till the financial year 2019-20, the State government had already spent ₹8277.6 crore for its implementation. In the year 2022-23, the State government’s allocation for the scheme was ₹1866.2 crore.

In another instance involving the digitization of ration cards a request by CAG on 02.09.2016 to the Secretary Food and Supplies Department seeking an audit was turned down. The document also points out that CAG also approached Chief Secretary 30.03. 2017 but no audit could be conducted.

Similarly audits sought on the law and order during civil disturbances including licensing of arms as well as e-procurement in the State government departments did not see the light of the day. In a letter to the Secretary of Finance and Directorate of Treasuries and Accounts in April

2019 Deputy Accountant General of the CAG sought access to documents and the IT system of the treasury so that a necessary audit can be conducted which was also not entertained.

"These are only a few instances where I have gathered documents that CAG audits could not be performed because of repeated resistance from the State government. The CAG, however, cannot escape from its constitutional responsibility as it is mandated to carry out audits involving major schemes. Therefore, along with the State government the CAG is also accountable for the financial mess of the State," Mr. Goswami said .

On 17 October 2022, Mr. Goswami sought details of the audit of social welfare schemes conducted by CAG in West Bengal between 2011 and till date through an RTI query. The first reply by the CAG on November 7, 2022, said that "requisite information is not readily available" with this authority and stated that the RTI petitioner "had drifted far and wide" from the spirit of the RTI Act in seeking information.

When Mr. Goswami filed the first appeal before Satish Kumar Garg, Principal Accountant General (Audit) West Bengal, the response was entirely different. "The office conducts audits of various functionaries under the State Government. Such audits are not done scheme-wise unless performance audit or schematic audits on certain selected schemes are taken up," Mr. Garg responded on January 4, 2023.

Referring to the ongoing politics over corruption in schemes like MNREGA and PM Awas Yojana, the RTI activist claimed that if proper audits were conducted in time there was no reason for central teams to visit West Bengal as well as the State government to raise pitch for its funds and turning the whole issue into a "political spectacle".

There was an error in the heading in the earlier version of the article. The same has bene rectified. https://www.thehindu.com/news/cities/kolkata/no-cag-audit-of-major-schemes-in-wb-since-2011-says-rti-activist/article66517391.ece

6. Sethusamudram project to create a shipping route in the shallow straits awaits revival *(thehindu.com)* February 17, 2023

The vexatious Sethusamudram project is back in the limelight with the ruling DMK making a renewed bid for its implementation.

The Tamil Nadu Assembly adopted a resolution on January 12. Moved by Chief Minister M.K.Stalin, the resolution called upon the Central government to implement the project immediately and assured it of the State's cooperation. Recently, in both Houses of Parliament, the DMK MPs reiterated the demand.

Stalled on the orders of the Supreme Court in 2007, the project, officially called the Sethusamudram Ship Channel Project (SSCP), is no stranger to controversies. Over the years, political, social, environmental and religious factors have characterised the popular discourse surrounding the SSCP. Even though its revival was raised by political parties, especially the DMK, at times in the last 15-odd years, it has acquired a fresh vigour now, particularly after Union Minister of State for Science and Technology Jitendra Singh's observations on Ram Setu in the Rajya Sabha.

Plea in court

Going by the official transcript of the Rajya Sabha's debates for December 22, 2022, the Union Minister said, "It is difficult to actually pinpoint the exact structure that existed there, but there is some kind of an indication, direct or indirect, that those structures have existed." Also called Adam's Bridge in the contemporary parlance, Ram Setu, a chain of shoals, separates the shallow region that covers the Gulf of Mannar in the south and Palk Bay in the north (broadly between Danushkodi in Tamil Nadu and Mannar in Sri Lanka). A petition, filed by former Union Minister Subramanian Swamy, to declare Ram Setu a national heritage monument is sub judice.

Even three years ago, the importance of the project was acknowledged by a parliamentary standing committee on transport, tourism and culture. In its report, presented to Parliament in March 2020, the committee described the project as one that seeks to provide "a vital link to [the] Gulf region which is a very productive corridor from India's economic point of view". The Union government, in its reply tabled in Parliament in February 2021 to the committee's observation, recalled certain contents of its affidavit filed in the court in February 2018, wherein it took the stand that "considering the socio-economic disadvantages of alignment No.6, GoI [the Government of India] did not want to implement the said alignment but intended to explore an alternative alignment without affecting/damaging the Adam's Bridge/ Ram Sethu [sic] in the interest of the nation."

In mid-January this year, BJP Tamil Nadu president K. Annamalai echoed more or less the same point and said his party would support the proposal for reviving the project only if the State government, in consultation with the Centre, was ready to explore an alternative alignment.

A perusal of the history of the project reveals that ever since the idea was mooted in 1860 to form a continuous navigable route connecting the Gulf of Mannar with the Palk Bay, different alignments had been identified by various experts. Between 1860 and 1922, nine proposals were formulated. Most of them envisaged cutting through the Pamban channel (which separates the mainland from the Rameswaram island). But none of them materialised for want of financial resources.

After Independence, the authorities scrutinised five alignments before choosing the sixth alignment in the early 2000s. The National Environmental Engineering Research Institute (NEERI) came out in August 2004 with an environmental impact assessment report. At the time of the launch of the project in July 2005, the authorities decided that the length of the proposed Sethusamudram ship channel would be 167 km — 35 km long in the Adam's Bridge area; 54 km in the Palk Strait; and 78 km in the Palk Bay. No dredging would be required in the Palk Bay as it has enough natural depth.

Apart from avoiding the current practice of ships having to sail around Sri Lanka, the project, estimated to cost nearly ₹2,430 crore according to the 2005 estimate, has one more benefit to offer — strategic value for national security. Once implemented, it will reduce the response time of vessels of the Navy and the Coast Guard, besides facilitating increased patrolling. (According to a report of the Comptroller and Auditor-General of 2014, around ₹928 crore was spent till the suspension of the project.)

Former Chief Minister Jayalalithaa, who became one of the fiercest critics of the project since 2005, had dubbed the SSCP "economically and ecologically" unviable. In March 2012, as the

Chief Minister, she wrote to the then Prime Minister Manmohan Singh, urging him to get Ram Setu declared a national monument. Sections of the fishing community had also opposed the project on the grounds that the SSCP was not beneficial to it.

Vajpayee did the groundwork

DMK treasurer T.R. Baalu, who vigorously promoted the SSCP when he was the Union Minister for Shipping in the Congress-led United Progressive Alliance government during 2004-09, explains how several stalwarts, including former Chief Minister K. Kamaraj and C.N. Annadurai, had favoured the execution of the project. It was the BJP-led government, under the leadership of Atal Bihari Vajpayee,that had done the groundwork. "It so happened that I presented the matter before the Union Cabinet [headed by Manmohan Singh of the UPA-I government] and secured the Cabinet's approval," he recalls.

A veteran marine biologist, who was associated with the project, says the question of irreparable damage that the project could cause to the marine eco-system was among a host of issues that experts analysed about 18 years ago. "The project is doable, but what is required is political will and political courage," the specialist says.https://www.thehindu.com/news/national/tamil-nadu/a-project-to-create-a-shipping-route-in-the-shallow-straits-awaits-revival/article66518098.ece

7. Ask for public donations, seek help from other political parties: Economists advise Punjab CM as the state faces bankruptcy *(opindia.com)* 16 February, 2023

While the state of Punjab is reeling under a massive debt burden, three economists have written to the state government suggesting the establishment of a debt relief fund (DRF) and seek voluntary donations from the public to get the state out of its financial bind. The letter was written by economists Lakhwinder Singh, Sukhwinder Singh, and Kesar Singh Bhango.

The three economists have also recommended in the letter that the government should establish a panel to provide recommendations for Punjab's fiscal improvement and request a seven-year moratorium on debt payments to give the economy time to recover.

According to the reports, economist Lakhwinder Singh is a visiting professor at the Institute for Human Development (IHD) in New Delhi, Sukhwinder Singh is a former professor and consultant to the Punjab Finance Commission in Chandigarh and Kesar Singh Bhangoo is a former professor in the department of economics at the Punjabi University. In a study titled "Fiscal Policy Under Siege: Strategy for Making Punjab Debt Free" that was put together on Saturday, the group of three economists asked the Punjab government to seek help from other political parties in the state and push for a debt relief package from the Centre.

"We suggest to the government that among the several available options, one is to set up a debt relief fund and issue an appeal to all the concerned citizens to deposit the money in it voluntarily. This fund will only be utilized to reduce Punjab's debt burden while making a tax exemption provision as in other similar cases. Punjabis all around the globe are by nature helpful and well-known for philanthropy. This cultural trait of Punjabis will go a long way in dealing with the debt," the economists stated in the letter.

The analysts explained the backdrop of Punjab's twofold debt trap by stating that, on average during the previous three years, the state government borrowed Rs 35,201.87 crores every year.

It pays interest of Rs 18,209.8 crores and repays the principal amount of Rs 14,257.98 crores, totaling 32,467.78 crores, to cover the accumulated debt.

According to the study, the state government's fiscal strategy has become dysfunctional. "The net availability of the borrowed funds turns out to be Rs 2,734.09 crore, which is just 7.8% of the total borrowings and the remaining 92.2% gets exhausted into servicing the accumulated debt," it stated. The state lacks the potential to make fresh capital investments, and according to figures from the Reserve Bank of India (RBI), the amount borrowed by Punjab from different sources accounts for 53.3% of its Gross State Domestic Product (GSDP).

The economists added that the rate at which debt began to accrue was worrying, starting at 22.85% in 2015-16 and 40.80% in 2016-17, respectively. "It then continues to increase steadily, on average, by more than 9% per year. The present administration is borrowing similarly to the past administrations, and it will continue to do so until it leaves office," they added.

They stated that the government would raise spending without increasing the necessary level of revenue due to the existing obligations, the promised creation of jobs in the government sector, and the promises of transfer payments and subsidies. Members reiterated that the government should form a panel to look for workable solutions to cut the debt load in half in the near future and to propose actions to free the state from debt in the medium to long term.

The economists suggested that in order to immediately relieve the rising debt burden, the government may issue bonds. The well-known intellectuals of Punjab and the leaders of other political parties should be trusted by the Punjab administration to reach a consensus and bring up this issue with the Union government for a debt relief package, they added in the letter.

"The people of Punjab had given a decisive mandate and elected a government with the expectation that it would revive the state's lost glory. Therefore, it is high time that the government should swiftly act while gathering all the courage and will to revive institutional arrangements of policy making and big bang actions to break both the traps (debt and slow growth) for sustainable development of Punjab economy," they were quoted.

In comparison to its own revenue deficit projection of Rs 12,553.80 crore for the year 2022–2023, the current government's revenue shortfall during its first nine months in office has been reported as Rs 15.348.55 crore.

The economic condition of Punjab is becoming worse quarter by quarter. The fund-strapped Punjab government's fiscal situation portrays a bleak image with the state having a very high debt-to-GDP ratio. The state exchequer is also bleeding as a result of freebies. The only state with a higher debt-to-GDP ratio than Punjab, which is predicted to be 47.6% by March 2023, is Mizoram, which has a ratio of 53.1%. Punjab's ratio has slightly increased from 48.7% in 2021 and 48.4% in 2022 as the states have recovered from the epidemic in the last two years.

In its first 11 months of governance, the state has already borrowed more than Rs 35,000 crore. It has been unable to pay the Punjab Mandi Board installment of Rs 500 crore towards repayment of the loan to cancel farmers' debts. Mandi Board has been requested to modify the loan in such a way that the state makes monthly payments of Rs 100 crore.

The state's power utility is also in financial trouble. The state exchequer is expected to incur a cost of Rs 22,000 crore this fiscal year due to the weight of electricity subsidies, therefore it had to borrow Rs 500 crore to pay salaries for the previous month. The situation has worsened ever since the government rolled out 300 units of free power to the residents.

The state has also been unable to decide on a free bus service for women. The exchequer has been paying for it Rs 550 crore rupees annually. The government could not reach a decision despite the Transport Department's suggestion to rationalize free travel.

On the other hand, in the middle of the financial crunch, Women and Child Welfare Minister, Punjab, Dr Baljit Kaur is promising Rs 1,000 per month to women, a promise which was made by the Aam Aadmi Party during elections. Recently, the state also shut down three toll plazas which the state CM alleged were allowed to operate by the connivance of the Akali-BJP alliance and Congress to loot the public. According to the CM, a daily sum of Rs 10.52 lakh of the public will be saved by shutting off the toll plazas.

The problems of Punjab have increased further as its capital investments are also not giving returns. Reports mention that several of the industries set up in the state have migrated to nearby states including Haryana, Himachal Pradesh, and Uttar Pradesh.

Reportedly, CM Bhagwant Mann has stated that the state would generate revenue by renting the 9,000 acres of public land recovered from the encroachers. He also said that the state would generate revenue from sand. Reports however mention that it is difficult for the state to meet its revenue targets in the current fiscal, according to the data released by CAG regarding the fiscal indicators from April to December 2022. https://www.opindia.com/2023/02/economists-advise-punjab-cm-public-opposition-state-debt/

8. Easier said than done *(highlandpost.com)* 17 February, 2023

Ahead of the February 27 Assembly elections in Meghalaya, three major parties have announced a string of freebies for the people of Meghalaya to win their support. The Trinamool Congress promised an allowance of Rs 1000 monthly (Rs 12,000 yearly) to every unemployed youth between the ages of 21- 40 under Meghalaya Youth Empowerment (MYE) scheme. It also promised that all individuals engaged in the tourism sector will be formalised through government-registered job cards providing a monthly honorarium of Rs 2500, direct transfer of Rs 1,000 per month to a woman of every household under the Meghalaya Financial Inclusion for Women Empowerment (MFI WE) scheme besides increase of all social welfare pensions to Rs 1000 per month.

The Congress followed suit by promising to provide monthly assistance of Rs 3000 to each single mother from BPL background, a job each to every household, uninterrupted electricity supply to domestic and commercial users and more. Later, the BJP promised to introduce the 'Ka Phan Nonglait' scheme for mothers, sisters and daughters. The party also promised that the family of a newborn girl child would be given a bond of Rs 50,000 and the child will be provided with free education from KG to PG. BJP also promised to provide annual financial assistance of Rs 3,000 to landless farmers and an annual grant of Rs 6,000 for fishermen. In order to empower widows and single mothers, the BJP promised to launch a support scheme under which financial assistance of Rs 24,000 will be provided annually.

The question is from where all this money will come. Or are all these hollow promises or gimmicks? The financial position of Meghalaya is not very good. The State is heavily dependent on central government tax revenue sources, in fact, up to 85 per cent. While we are dependent on the share of central taxes since the State-owned revenue is very less, the State continues to suffer from the shortfall on the share of the central taxes. On the capital front, the annual average growth of expenditure was about 21 per cent during 2012-13 and 2021-22. The State government has resorted to open market borrowings to feed its capital expenditure on various socio-economic sectors. These borrowings over the years have accumulated to cause debt burden for the State.

The State Finances Audit Report for the year ended 31 March 2021 released by the CAG in September 2022 mentioned that Meghalaya has failed to achieve the targets set in the MFRBM Act. The fiscal deficit of 7.79 per cent in 2020-21 was higher than the fiscal target of 5 per cent. During the five-year period, the ratio of total outstanding debt as percentage of GSDP has steadily been above the target ratio of 28 per cent of GSDP up to 2019-20 and 37.391 per cent of GSDP during 2020-21. During 2020-21, it rose by 9 per cent to 40.73 per cent over 31.54 per cent in 2019-20. The prevalence of fiscal deficit since 2016 showed continued reliance of the State on borrowed funds, resulting in increased fiscal liabilities from 2016 till date. For political parties, it's easier said than done. https://highlandpost.com/easier-said-than-done/

SELECTED NEWS ITEMS/ARTICLES FOR READING

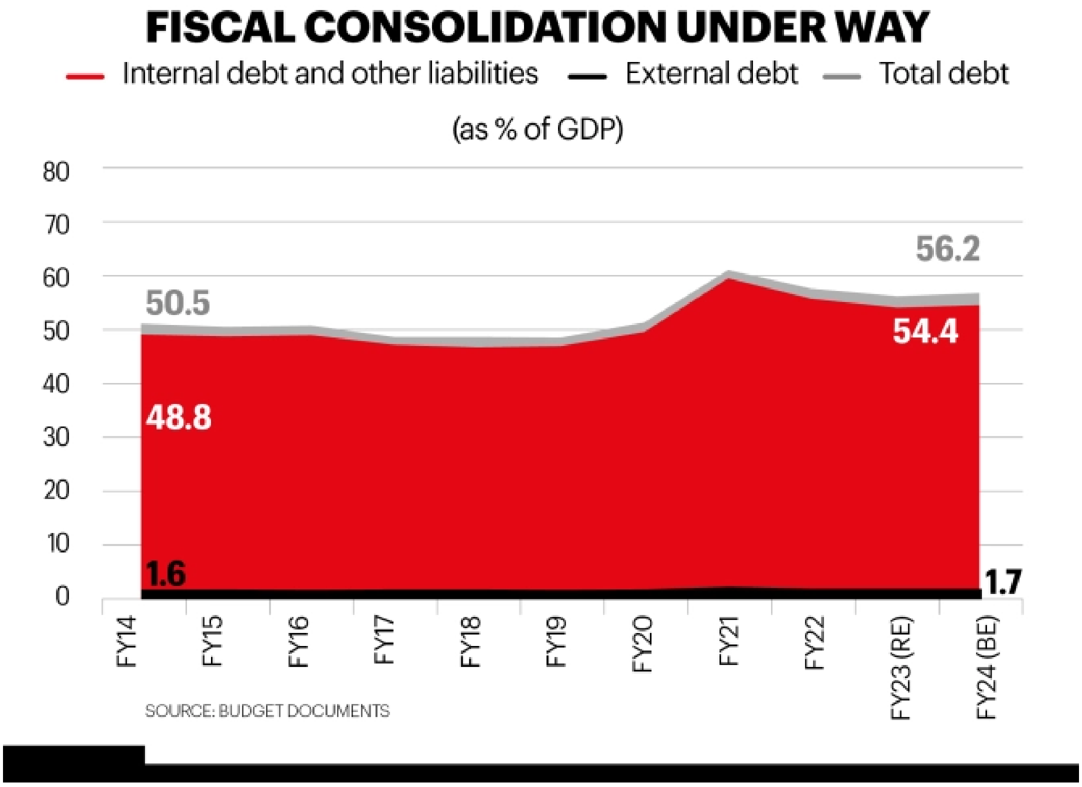
9. Is Declining Debt Enough? *(fortuneindia.com)* Feb 16, 2023

THE CENTRE has brought down its debt (internal and external), one of the key fiscal parameters, by a good 3.1 percentage points from last year's Budget promise of 59% of gross domestic product (GDP) to 55.9% (revised estimate or RE). In FY24, it is estimated to climb up marginally by 0.3 percentage points to 56.2%. This is commendable when compared with the 15th Finance Commission's "indicative" path of 61% for FY23. However, government has a long way to go before it can bring the number below the Fiscal Responsibility And Budget Management (FRBM) Act's cap of 40%.

This is not surprising. Central government's debt has traditionally remained high. It averaged 49.5% in seven fiscal years before Covid-19 forced government to borrow more to support the economy, taking it 10 percentage points up from 50.9% to 61% in FY21 and forcing the 15th Finance Commission to increase the target to 61% for FY23 and 60.1% for FY24. But external borrowings of 1.8% of GDP in FY23 remain a bright spot. These are estimated to touch 1.7% in FY24, way below 2% in FY21. This is a big relief given the depreciating rupee and rising interest rates in U.S.

India's debt surge in FY21, however, wasn't exceptional. It matched the global rise in debt in 2020 from 54% to 64% of GDP, the highest rise since World War II. In OECD countries, central government borrowings rose 16 percentage points as they spent more to support their population and businesses–their stimulus was nearly 24% of GDP compared with India's 1.6% of GDP.

However, a closer look at Budget numbers throws up several red flags.



Fiscal/Revenue Deficits

Taking on debt to spend is important to push growth during periods of demand stagnation or recession. Even before the pandemic struck, the Indian economy was facing challenges as GDP growth slipped from 8.3% in FY18 to 3.7% in FY20. Despite comparatively lower fiscal spending during Covid-19 and focus on supply-side solutions (lowering of interest rates, liquidity infusion), Centre's fiscal deficit went up from 4.7% of GDP in FY20 to 9.2% in FY21, indicating fiscal stress.

As the pandemic wanes and economic activity picks up, government is trying to lower fiscal deficit, but is nowhere near meeting the FRBM target. Though it has met the FY23 Budget target of 6.4% of GDP and is targeting 5.9% for FY24, these numbers are way higher than the FRBM limit of 3%. The overshooting of the FRBM cap is part of a long-term trend, though. The average fiscal deficit during FY14-FY22 was 4.6%. The 15th Finance Commission's indicative path was 5.5% for FY23 and 5% for FY24.

The interest outgo, 3% of GDP on average in past decade, touched 3.4% in FY23. In FY24, it is budgeted to climb up to 3.6%. Of the total expenditure, interest outgo was the largest component at 22.5%, and is expected to touch 24% in FY24. This should be a cause for concern.

But there is some relief on the revenue deficit (gap between actual and projected income) front. The deficit, which went up to 9.5% of GDP in FY21 from average of 4.4% in previous seven fiscals up to FY20, fell to 4.1% in FY23, less than 6.7% projected in the FY23 Budget. In FY24, it is expected to fall to 2.9%. These are below the 15th Finance Commission's indicative path. The primary deficit, the gap between fiscal deficit and interest outgo on debt which is key to boosting demand and growth, fell from 3.3% of GDP in FY22 to 3% in FY23 (BE). It is expected to fall to 2.3% in FY24.

Worrying Capex and Growth Signs

Debt and deficit numbers show Centre may have performed reasonably well but what is it doing to boost growth? And is it enough?

Budget documents show that FY23 capex spending is 2.9% less than target. Total expenditure is 6.1% more than budgeted because of higher revenue expenditure. Since capital expenditure has a bigger multiplier effect than revenue expenditure, a higher capex is called for, especially when growth is expected to fall from 8.7% in FY22 to 7% in FY23 and 6.4% in FY24 (mid-point of 6-6.8% projection in Economic Survey FY23). Controller General of Accounts data shows that by end of December 2022, actual capex was 65% of budgeted, less than 70% in corresponding period of previous fiscal. Thus, the Budget's promise of 37.4% higher capex in FY24 over FY23 (RE) should be taken with a pinch of salt, even though the rise in allocation is a healthy sign.

"The Budget claims a 33% rise in capex from ₹7.5 lakh crore to ₹10 lakh crore. If we take the combined capital expenditure of Union government through its ministries and departments, and that of public sector entities, the increase is only 22%, from ₹12.2 lakh crore to ₹14.9 lakh crore. Some revenue expenditures such as FCI's ₹1.45 lakh crore, oil PSUs' ₹30,000 crore and ₹1.30 lakh crore loans to state governments are masking as capital expenditures. The real capex, excluding these, is much smaller," says former finance secretary Subhash Chandra Garg. In fact, at 4.9% of GDP, combined capex for FY24 is the same as in FY20.

Arun Kumar, former JNU professor, points at another facet of central government's financial management. "Budgetary expenditure in FY24 is 7.5% more than FY23's revised Budget estimate. This is less than projected 10.5% growth in nominal GDP in FY24. The implication is that if some expenditures rise dramatically, for instance capital intensive railways and highways, other expenditures for marginalised sections such as food and fertiliser subsidies and MGNREGS would have to be curtailed. For stimulus to economic growth, budgeted expenditure should rise more than nominal GDP."

There is another aspect to the capex debate. For past one year, Centre has sold its capex push as a panacea of growth that will "crowd in" private investment. The claim, also made in Budget speech and Economic Survey FY23, is exactly opposite of neoliberal economics India has been following since mid-1980s. The neoliberal economics posits that government investment will "crowd out" private investment and, hence, seeks a "small state." The reason for this change in focus is that private investment has fallen. From a peak of 16.8% of GDP in FY08, private investment (GFCF) fell to 9.2% in FY21, the last fiscal for which data is available. Private

GFCF remained below 12% of GDP for the entire decade of FY12-FY21. This is despite corporate tax cut in 2019 that cost Central government ₹1.45 lakh crore in 2019 and now production-linked incentive schemes. The tax cut, in fact, led to a loss of ₹1.84 lakh crore in FY20 and FY21, according to a parliamentary panel. This means less money at Centre's disposal and higher debt and deficits.

> Of total expenditure, interest outgo was the largest component at 22.5%, and is expected to touch 24% in FY24. This should cause concern.

Even the rise in credit outflow to industry, which both RBI and Economic Survey FY23 cite to claim revival of private investment, is misleading. RBI data shows credit growth to industry has fallen from 7.5% in FY22 to 4.4% in FY23 (April-November 2022). During FY08-FY18, the share of industry in non-food credit averaged 42%. This fell to 27.8% during FY19-FY22 and 25.9% in FY23 (April-November 2022). There has been a marginal rise in credit outflow to non-food sector from 8.7% in FY22 to 8.9% in FY23 (April-November), but this is because of rise in personal loans for consumption expenditure, not credit flow to 'real' sectors like agriculture, industry and services. In fact, personal loans overtook large industry and services (in amount) in FY20 and industry in FY21. The trend continued in FY22 and FY23. Agriculture's share has been stuck around 12-13% since FY08.

Finance minister Nirmala Sitharaman promised "a prosperous and inclusive India" in "her first budget in Amrit Kaal." But key economic indicators don't suggest this. First advance GDP growth estimates for FY23 bring bad news. GDP growth is expected to fall from 8.7% in FY22 to 7% in FY23 and further to 6.4% in FY24 (or 10.5% nominal growth). The estimates also show per capita GDP growth falling from 7.6% in FY22 to 5.8% and per capita consumption (PFCE) from 6.9% in FY22 to 6.6%. These numbers also show that growth in per capita income and consumption are below GDP growth. Consumption (PFCE) has been stagnant at 57% of GDP during FY21-FY23. These are not healthy signs despite Centre's reasonably good performance in keeping debt and deficits under control. https://www.fortuneindia.com/long-reads/is-declining-debt-enough/111636

10. NPG identifies projects worth Rs 4.5 lakh crore for Gati Shakti masterplan *(economictimes.indiatimes.com)* Feb 16, 2023

India has identified infrastructure projects worth ₹4.53 lakh crore to boost urban connectivity and support manufacturing, which would now be undertaken under the ambit of the PM Gati Shakti masterplan.

The Network Planning Group (NPG) has shortlisted several road, rapid rail, metro and railway projects as also petroleum pipelines as key infra developments that need to be expeditiously completed.

The move comes on the back of the government announcing a ₹10 lakh crore capex plan in the budget for the next fiscal year.

Backing of the NPG, consisting of the heads of the planning divisions of eight ministries and departments, is likely to result in faster approvals and implementation of the projects.

"The NPG evaluates the projects which have been developed by various infrastructure ministries. It then endorses these projects to the Ministry of Finance and the proponent ministry with any suggestions," a senior government official told ET.

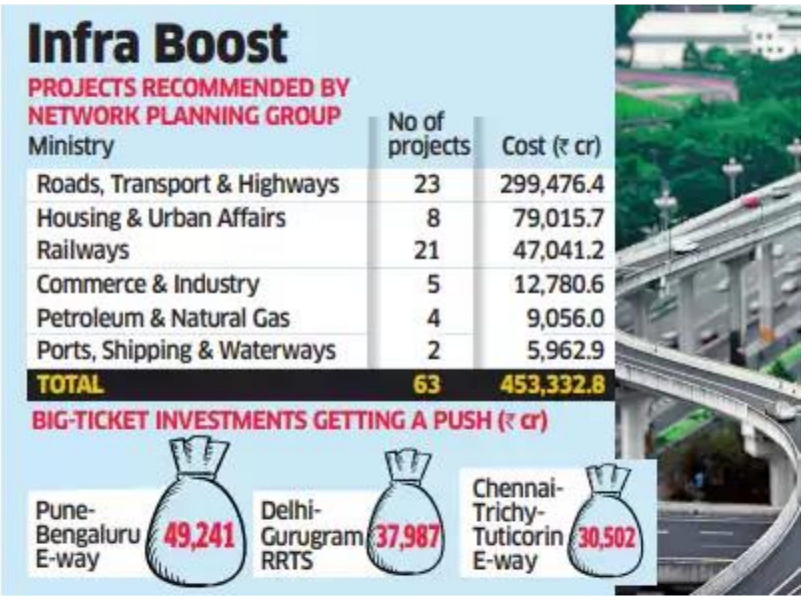
Under the PM Gati Shakti principles, an integrated approach must be adopted while proposing connectivity projects.

"Multi-modality or inter-modal infrastructure, and last-mile connectivity should be considered. Once mapped on the National Master Plan (NMP), it will also give an optimal solution in terms of alignment to a project," the official said.

The infrastructure gaps have been identified under NMP following suggestions from ministries that administer industries like steel, which would gain from these projects.

In all there are 63 projects with the Pune-Bengaluru Expressway being the most capital-intensive of these at an estimated cost of ₹49,241 crore. The second most valuable one, at ₹37,987 crore, is the 107-km Delhi-Gurgaon-SNB (Shahjahanpur-Neemrana- Behrod) Regional Rapid Transit System (RRTS) corridor, which is part of the Delhi-Alwar RRTS line.

Development of Trunk Infrastructure Components for the 5,796.68-acre Dighi Port Industrial Area, under the Delhi Mumbai Industrial Corridor, is the most expensive project of National Industrial Corridor Development Corporation that gets NPG endorsement at ₹5,410.04 crore project cost.



Ministry	No of projects	Cost (₹ cr)
Roads, Transport & Highways	23	299,476.4
Housing & Urban Affairs	8	79,015.7
Railways	21	47,041.2
Commerce & Industry	5	12,780.6
Petroleum & Natural Gas	4	9,056.0
Ports, Shipping & Waterways	2	5,962.9
TOTAL	63	453,332.8

https://economictimes.indiatimes.com/news/economy/npg-identifies-projects-worth-rs-4-5-lakh-crore-for-gati-shakti-masterplan/articleshow/97990455.cms

11. Indian Navy Pitches For 60% Indigenisation of US Predator Drones amid Procurement Bid *(republicworld.com)* 16 February, 2023

The Indian Navy confirmed Tuesday that it was pursuing the acquisition of US Predator drones with a pre-requisite that it should have a minimum of 60% indigenous content. Navy Vice

Chief Vice Admiral SN Ghormade said on the sidelines of Aero India 2023, “We are still pursuing that 'Acquire Predator Drones' project.” He added that the Indian Navy was mulling “how it (The Predator) can be indigenised and whatever facilities can be built in India.”

The development comes amid a push by the Indian government to promote the indigenisation of the Indian Armed Forces (Navy, Army and Air Force). The US Predator drone deal is one among many procurement deals shelved by the government to give a push to the 'Make in India' programme. The deal for the procurement of the US Predators was reviewed by a committee headed by an Indian Army Lieutenant General.

Notably, the deal was coming out to be very expensive with an estimated $6 billion for 30 Predator drones. "We are working with our indigenous firms and DRDO and capabilities that we can take from indigenous sources. Sixty per cent is the desired Make in India content that we look forward to,” Vice Admiral Ghormade added.

Why is indigenisation important for ‘Atmanirbharta’?
The Indian Armed Forces have historically relied heavily on imported military hardware, with over 60% of the country's defence requirements being met through imports. However, with the government's emphasis on the "Make in India" initiative and self-reliance in defence production, there has been a renewed focus on indigenization in recent years. Some perks of ‘Atmanirbharta’ in the defence sector are-

Strategic Autonomy: The ability to manufacture defence equipment domestically ensures strategic autonomy, which means that the country can respond to threats and challenges in a more independent and self-sufficient manner.

Reduced Dependence on Foreign Suppliers: The reliance on foreign suppliers for critical defence equipment can be problematic, as it makes a country vulnerable to economic and political pressures from those suppliers. Indigenization reduces dependence on foreign suppliers and makes the country more self-reliant.

Cost-Effectiveness: Domestic manufacturing of defence equipment can be cost-effective in the long run, as it eliminates the need for costly imports and ensures that the country's defence budget is spent most efficiently and effectively.

Technological Advancements: The development of indigenous defence equipment and technology can lead to technological advancements and innovation in the domestic defence industry, which can have wider economic and social benefits beyond the defence sector.

Job Creation: The indigenization of the armed forces creates job opportunities in the domestic defence industry, which can contribute to the country's economic growth and development.

Meanwhile, India planned procurement of 30 high-altitude long-endurance US Predator drones equipped with strike capability, including missiles. These were to be distributed equally among the Tri-services. Currently, the Indian Navy operates two predator drones which were hired on lease from a US-based firm. The drones support the Indian Navy keep track of activities in the Indian Ocean Region (IOR). The acquisition of Predator drones by India has been seen as a strategic move to counter the growing security threats in the region, particularly from non-state actors and terrorist groups. The drones can be used for surveillance and intelligence gathering in remote areas, and can also be equipped with weapons for targeted strikes. https://www.republicworld.com/india-news/general-news/indian-navy-pitches-for-60-percent-indigenisation-of-us-predator-drones-amid-procurement-bid-articleshow.html

12. Govt may convert part of Voda Idea dues after 4-yr moratorium: Analysts *(economictimes.indiatimes.com)* Feb 16, 2023

After converting Vodafone Idea's accrued interest on adjusted gross revenue (AGR) dues into equity, the government may also convert a part of the telecom operator's outstanding payments on spectrum and AGR to shares, after the four-year payment moratorium is over, said analysts.

"Our base case remains that (Vodafone) Idea will be a going concern and we assume in the long term that a part of outstanding debt (dues on statutory payments) on spectrum and AGR will also be equitised by the government," JP Morgan said in a report.

After the moratorium period ends in the third quarter of FY26, Vi's pay-out to the government will include the deferred payments granted in the September 2021 relief package. Kotak Institutional Equities estimates that its annual pay-outs would total around Rs43,000 crore, with Rs15,700 crore for the deferred spectrum base amount, Rs10,000 crore for interest on deferred spectrum payment due to the moratorium, Rs9,100 crore as AGR dues base amount and nearly Rs7,400 crore toward interest on the AGR dues deferral.

Out of the expected annual regulatory payment, "the deferred component of Rs 17,400 crore can potentially be converted into equity by the government", Credit Suisse said, adding: "VIL management did highlight the possibility of further stake increase by the government in case VIL is not able to meet its regulatory obligation."

The government currently owns a 33.1% stake in Vodafone Idea, after converting the telco's interest dues into equity, with promoters, UK's Vodafone Group and India's Aditya Birla Group, holding around 32% and roughly 18%, respectively.

Kotak said Vi had nearly Rs8,000 crore external dues coming up for repayment in next 12 months and around Rs15,000 crore in overdue vendor payables.

"As per management, Vi continues to engage with lenders for refinancing part of the upcoming debt repayments and with vendors/GoI for more flexibility in payment terms for service/licence fees," Kotak said.

Kotak added that with the government's keenness to protect a 3+1 player market structure (three private and one state-owned operators) and Vi's significantly lower external debt (Rs13,000 crore in overall Rs2.3 lakh crore), it expects part of the loans to get refinanced, which could lead to improved payment terms for Indus Towers.

Vi's cash crunch — it had a cash balance of Rs160 crore at December end — has meant it has been unable to invest meaningfully in expanding 4G networks and roll out 5G services, leading to consistent subscriber losses to rivals Reliance Jio and Bharti Airtel.

Vodafone Idea lost its subscriber market share by 0.65 of a percentage point in the fiscal third quarter, compared with 0.35 and 0.30 point growth for Airtel and Jio, respectively. The declining subscriber base also resulted in an on-quarter revenue market share loss of a quarter percentage point for Vi.

“Without a large and expedited fundraise, Vi’s market share losses will likely accelerate, especially among premium data subscribers, as peers roll out pan-India 5G in the next few quarters,” analysts from Kotak said.

Compared to sharp increase in capex for peers (on accelerated 5G rollouts), Vi’s capex declined 38% on quarter to Rs 750 crore (versus Rs6,400 crore for Airtel).

“VIL needs to improve Ebitda (tariff hikes) and simultaneously reduce debt (raise equity) to remain financially viable. It also needs to invest in the network and arrest subscriber decline. The above three conditions are necessary but might still not be sufficient for its long-term sustainability,” analysts from Nuvama observed.

Vi did see its average revenue per user (ARPU) rise to Rs 135 (compared to Rs 131 in Q2), which the management attributed to several interventions undertaken in the past few quarters, such as unlimited prepaid plan tariff hikes, change in metered tariff rates on minimum recharge plans, tweaks on post-paid plans and improvement in subscriber mix. https://economictimes.indiatimes.com/industry/telecom/telecom-news/govt-may-convert-part-of-voda-idea-dues-after-4-yr-moratorium-analysts/articleshow/97990355.cms

13. Aarey tree-cutting: A day's delay raises cost, daily loss of Rs 6 crore, says Mumbai Metro body *(timesofindia.indiatimes.com)* Feb 17, 2023

MUMBAI: The Mumbai Metro Rail Corporation Limited (MMRCL) on Thursday, opposing a PIL seeking to quash the civic tree authority's notice for removing 177 trees at Aarey Milk Colony for the Metro car shed, said each day's delay in the project led to cost escalation and daily loss of almost Rs 6 crore to the public exchequer.

The MMRCL, in an affidavit in reply to PIL filed by tree activist Zoru Bhathena who claimed the January 12 notice was "in breach of a Supreme Court order", said the number of trees "cannot remain unchanged" from the 84 mentioned three years ago in the 2019 plea in SC. It said more trees and shrubs have grown on the land required for the ramp since then, with four monsoons passing, and hence its plea to cut 177 trees now is justified. MMRCL said the PIL was "misconceived" and "misdirected".

The notice is for 177 trees with different ID numbers compared to MMRCL's proposed plea for 84 trees earlier, said Bhathena's lawyer Zaman Ali.

Senior advocate Aspi Chinoy and advocate Joel Carlos submitted an affidavit by Tree Authority, through Sunil K Rathod, deputy superintendent of gardens, justifying a notice for objections/ suggestions for tree-cutting.

The tree authority submitted that inclusion of the 101 newly grown trees in MMRCL's updated proposal of 2023 (which seeks removal of 185 trees) does not in any way violate the Supreme Court order in November 2022, which allowed BMC to pursue application for felling 84 trees before the authority .

Senior advocate Ashutosh Kumbhakoni and advocate Akshay Shinde, representing MMRCL, submitted before a bench of acting Chief Justice Sanjay V Gangapurwala and Justice Sandeep V Marne that the shrubs and smaller plants grown over the years had been included in the list of trees that needed to be cut.

"The plants have grown into bigger trees. We have been directed to clean shave the place. We are not increasing the area by an inch. There cannot be any grievance," submitted Kumbhakoni.

MMRCL said preliminary assessment was for 185 trees but later about 47 trees it was felt can be transplanted and 124 proposed for cutting. HC adjourned the matter to February 23. https://timesofindia.indiatimes.com/city/mumbai/aarey-tree-cutting-a-days-delay-raises-cost-daily-loss-of-rs-6-crore-says-mumbai-metro-body/articleshow/97995371.cms

14. Loophole behind spurt in fake billing? *(timesofindia.indiatimes.com)* Updated: Feb 17, 2023

Ahmedabad: On Wednesday, state goods and services tax (SGST) officials busted a major scam, where the perpetrators had fudged data of some 1,500 Aadhaar cardholders to fraudulently obtain GST registration.

About 2,700 GST registrations were obtained across the country using these Aadhaar cards, department officials said. This single scam, involving fake billing of Rs 4,120 crore, cost the state exchequer Rs 137 crore.

A loophole in the rules is a key reason for the increasing number of fake billing scams: The GST Act says physical verification of a business premises is mandatory only if the applicant has not opted for Aadhaar authentication or if Aadhaar authentication has failed.

“This means physical verification of a business is not undertaken if Aadhaar authentication succeeds. In the recent scam, the mobile numbers linked to Aadhaar cards of poor people were fraudulently changed. These Aadhaar cards with the mobile numbers controlled by the perpetrators were then used to obtain GST registrations,” a well-placed source said.

Gujarat has about 11 lakh GST registrations with an average of 1 lakh added every year. “Against this, the department has just 3,000 staffers. Just going to physically verify all existing and new registrations would be a mammoth task,” the source further said.

Provisional data from the state commercial tax department shows that in fiscal year 2023 (till February 15), the state exchequer lost roughly Rs 700 crore to fake billing scams. The department data shows Rs 7,224 crore of fake billing done to evade taxes. https://timesofindia.indiatimes.com/city/ahmedabad/loophole-behind-spurt-in-fake-billing/articleshow/97997630.cms

15. State initiates cut to budget; key departments fail to utilise allocation *(hindustantimes.com)* Updated: Feb 17, 2023

Mumbai: Based on the revenue receipts recorded so far, the state government, in an order issued this week, has directed all the departments to spend just 80% of their budgetary allocation till further directives. It will affect the development works for which over ₹1.50 lakh crore was earmarked for the financial year 2022-23.

While the state government has initiated the cut, most of its departments have failed to utilise their outlay. The overall utilisation of the outlay of the budget has reached just 47.3% of the budgeted allocation. School education department has spent the highest 79%, while the tourism and cultural department has fared poorly with just 15.87% spent so far.

The fund allocated for the district development committees, the area development funds of legislators and the matching grants given for centrally sponsored schemes have been excluded from the diktat. The cut to the budgetary allocation is expected to result in less funds to be released for development works.

Of the annual budget of ₹4.03 lakh crore, over ₹1.50 lakh crore has been allocated for the development works. Besides, over ₹51,000 crore comes from centrally sponsored schemes implemented in the state. The allocation is done for various infrastructure projects and social welfare schemes.

After the change in the government, the Shinde-Fadnavis government reportedly diverted funds for the development works in the constituencies of the MLAs from the Shinde camp of Shiv Sena. It was reflected in the supplementary demands of a whopping ₹52,000 crore, according to the officials from Mantralaya.

Though the departments have been directed to restrict the expenditure to 80%, the finance department has stated that the percentage would increase towards the end of the financial year.

"Though the revenue receipts until January end have touched 75%, it will cross over 90% by end of the year. Based on the receipts, more funds are released in the last few days of the financial year. We expect the restriction to be released to around 95% by end of the year," said an official from the finance department.

The state government is banking on the revenue collection from key segments like GST, stamp duty and registration which registered the collection up to 75% and 93%. The collection from these heads last year were merely 57 and 65%.

Meanwhile, the key government departments, besides tourism and culture, housing (16.4%), industries (18.29%), planning (20%) have performed poorly in spending. Apart from the school education, technical education (77.06%), cooperation (75.04%), law and judiciary (72.58%) are amongst the top performers.

"The release of the funds for the departments was allowed up to 60% of the allocation until December end. It is true that the utilisation is low, but it has been a regular trend for years. The utilisation of the fund reflects only after the bills are settled after completion of the works. Most of the bills are settled in the last few days of the financial year. Some of the bills are even settled in next financial year for the scarcity of funds," another officer from the department said. https://www.hindustantimes.com/cities/mumbai-news/state-initiates-cut-to-budget-key-departments-fail-to-utilise-allocation-101676581117869.html

16. Telangana eyes Rs 13,000 crore in land sale to fund flagship schemes *(timesofindia.indiatimes.com)* Updated: Feb 17, 2023

HYDERABAD: To fund various welfare schemes and projects, the Telangana government has decided to mobilise about 13,000 crore by selling land and also regularise encroached government land parcels in the next few months.

The government has been auctioning unutilised government land for the past one year not only in Greater Hyderabad, but also in various districts. It had also put Rajiv Swagruha flats for auction in Bandlaguda and Pocharam areas. In the current financial year (2022-2023), however, it could mop up revenue of just 6,900 crore against its set target of 10,000 crore.

Chief Secretary Santha Kumari is working on increasing nontax revenue, which generally comes from auctioning land parcels and other resources, and also held a meeting with officials.

A cabinet sub-committee recently held a meeting with district collectors, revenue, finance, stamps and registration department officials in HMDA limits and discussed about non-tax revenue mobilisation. Tax revenue comes from GST collection, property registration and excise duty, etc. Till January, the government had collected about 92,000 crore.

Official sources said the district collectors have already identified land parcels, which could be auctioned especially in the surrounding areas of the city.

The auctioning process would be continued this year too. The sub-committee reportedly discussed about revenue that could be generated by way of regularising encroached government land under GO 59 and also layout regularisation scheme (LRS).

"The officials are serving notices on applicants of GO 59, whose encroached land are regularised on payment of market value. Nearly 14,000 applications are pending with the government. But some applicants are crying foul as the government is planning to collect the amount on present market values, which should be actually on the rates prevailing in 2014," sources in the state government said.

The officials said the state government is keen on revenue mobilisation as this is the election year and continue to implement welfare schemes such as Rythu Bandhu, Rythu Bima and other schemes. The government had enhanced budget for the schemes apart from allocating about 12,000 crore for 2-BHK and other schemes. https://timesofindia.indiatimes.com/city/hyderabad/telangana-eyes-rs-13000-crore-in-land-sale-to-fund-flagship-schemes/articleshow/97995237.cms

17. Paddy procurement process: Vigilance raid unearths serious irregularities in Trivandrum *(newindianexpress.com)* 17 February 2023

THIRUVANANTHAPURAM: The Vigilance on Thursday conducted a state-wide raid targeting the corrupt practices existing in the paddy procurement process of the Supplyco. Several serious irregularities were unearthed during the raids, which also brought to the fore the unholy nexus between the Supplyco paddy marketing officers, paddy quality assessment officers, agriculture officers, mill owners and farmers, inflicting huge financial loss to the exchequer.

Vigilance Director ADGP Manoj Abraham said they found that many farmers manipulate the records and fraudulently show that they are cultivating paddy in large areas and obtain minimum supporting price and other perks from the state government. This was being done with the assistance of corrupt agriculture officers, Supplyco staff, agents and mill owners. The farmers upload exaggerated records of the area of cultivation to Supplyco portal.

Since the real production is less as the cultivated land is less than what was shown on records, the help of mill owners is taken to adjust the stock deficit. The mills bring in cheap rice procured from other states and that is shown as produced by the farmer. They later buy this cheap rice from the farmers. The corrupt Supplyco and agriculture department staff facilitate this fraud and when the government transfers the perks and support price to the farmer, the amount is divided among the corrupt elements.

In Kizhuvilam in Chirayinkeezhu taluk and Karode in Neyyattinkara taluk, both in Thiruvananthapuram district, certain farmers were found to have uploaded exaggerated data on the area of cultivation and had received subsidy and other perks from the government on the basis of the exaggerated reports. Similar issues were reported from Edamulackal and Odanavattom in Kollam district and Kallara in Kottayam district.

Manoj Abraham said the raids will continue in the coming days to assess the full scale of corruption in the paddy procurement process and requested the public to share information on corruption on the toll-free number 1064 or on 8592900900/ 9447789100. https://www.newindianexpress.com/cities/thiruvananthapuram/2023/feb/17/paddy-procurement-process-vigilance-raid-unearths-serious-irregularities-in-trivandrum-2548145.html

18. SAD seeks CBI probe into Punjab govt's Rs 400-crore scam *(thestatesman.com)* February 16, 2023

Shiromani Akali Dal (SAD) leader Bikram Singh Majithia on Thursday demanded a Central Bureau of Investigation (CBI) inquiry against the Aam Aadmi Party (AAP) Government over alleged Rs 400 Crore scam in collection of royalty from vehicles carrying sand and gravel into Punjab besides reviving the contracts of two sand mining mafia kingpins associated with the previous Congress government one month after they had been terminated.

Accusing the Chief Minister Bhagwant Mann of heading the royalty scam in league with AAP convener Arvind Kejriwal, the SAD leader displayed receipts showing how only a fraction of the Rs Seven per cubic feet loyalty announced by the government on sand was collected by the state government, indicating underhand collection from inter-state vehicles by AAP.

He said the new mining policy has given the authority to fix royalty on inter-state vehicles to the CM and a majority of funds collected on this account were going directly to AAP instead of the state exchequer.

"As many as 2,000 trucks filled with sand and gravel enter Punjab from neighbouring states every day. At least half of the loyalty due from them is being appropriated by AAP," Majithia said.

The former minister said two mining mafia kingpins – Rakesh Chaudhary and Ashok Chandak – had been given charge of mining in Punjab in an underhand deal with the sole purpose of collecting money for AAP.

He said after terminating Chaudhry's contract to mine sand in Mohali and Ropar districts on December 21 last year, the AAP government had renewed his contract on January 27 this year by awarding him the same zones.

"This was done despite four cases being registered against Chaudhary in Ropar district besides a CBI inquiry marked by the high court after the 'goonda tax ' levied by Chaudhary was exposed by a chief judicial magistrate in a covert operation". Majithia said.

He said the second contractor, Ashok Chandak, who was also extremely close to the Congress high command, had also been issued a termination of his contract on 21 December last year before it was renewed on 31 January last month.

He said Chandak had also been awarded the same sites of Ludhiana, Jalandhar and Nawanshahr from which he was mining sand earlier under the Congress regime. The SAD leader said these twin scams as bigger than the Delhi excise policy scam. https://www.thestatesman.com/india/sad-seeks-cbi-probe-into-punjab-govts-rs-400-crore-scam-1503155083.html